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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2011

Docket No. N2012-1

UNITED STATES POSTAL SERVICE INTERROGATORIES
TO AMERICAN POSTAL WORKERS UNION WITNESS KACHA (APWU-RT-3)
USPS/APWU-RT3-1 THROUGH USPS/APWU-RT3-25

Pursuant to Rules 25 through 27 of the Postal Regulatory Commission's Rules of Practice and Procedure, the United States Postal Service respectfully submits the following interrogatories and requests for production of documents to American Postal Workers Union witness Pierre Kacha: USPS/APWU-RT3-1 through 25.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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USPS/APWU-RT3-1. Page 31 of APWU/USPS-RT-3 states: “Whereas USPS’s Area Mail Processing (AMP) consolidation process may selectively reassign the outgoing or the incoming mail processing functions for a ZIP3 to a gaining facility, . . . [my] network configuration approach is more naïve in that it reassigns both outgoing and incoming processing for a ZIP3 to a gaining facility. More precisely, it reassigns in unison all ZIP3s that were formerly assigned to a losing facility to a single gaining facility.” Please discuss your understanding of the benefits and advantages of a consolidation process that is sufficiently flexible to assign different product shapes and ZIP Code responsibilities from a consolidation candidate (losing) site to different future network processing (gaining) facilities vs. an approach that only assigns all product shapes (letters, flats, parcels) and ZIP Codes from a losing facility to a single gaining facility.

USPS/APWU-RT3-2. In table 6 and include footnote 12, referencing alternative standard operating windows found in USPS-T-4. Did you rerun your model with any alternative operating windows? If so, please describe this analysis, provide the results and the conclusions you draw from those results.

USPS/APWU-RT3-3. Page 12 of APWU/USPS-RT-3 states: "Manual operations are not modeled. Consequently, mail processing facilities that do not have automated processing equipment in the baseline FY2010 conditions have been assigned a single machine." Please provide a list of the postal mail processing facilities were not modeled as part of your analysis and identify those facilities without automated processing equipment in the baseline FY2010 conditions that have been assigned a single machine.

USPS/APWU-RT3-4.

(a) In your analysis, was the footprint (square footage) of each gaining (remaining) mail processing facility considered before assigning machines to it, to ensure that the facility could accommodate the assigned equipment?

(b) If the response to part (a) was affirmative, please identify the data source and the facility-specific data relied upon for this undertaking.

(c) Did this result in the model projecting a need for more automated mail processing equipment than currently exists in the USPS equipment inventory?

USPS/APWU-RT3-5.

(a) Was your model run using different sets of service standards or only with the current standards? If the former, please provide and describe all model results that used other than the current service standards, and provide your analysis of those results.

(b) Are there any transportation savings from any alternate scenarios that you modeled? If so, describe the basis for those savings.

USPS/APWU-RT3-6.

(a) Please confirm that in your modeling, the number of AADC/ADC facilities was assumed to remain the same as the baseline number.

(b) Did you perform any analysis to determine whether there were AADC/ADC facilities that remained underutilized or that had excess capacity after the new model assignments?

USPS/APWU-RT3-7. Using a 24-hour clock, describe the mail processing and equipment maintenance windows that are assumed in your model.

USPS/APWU-RT3-8.

(a) Of the 477 baseline mail processing facilities, how many facilities did not get additional workload and remained open due to the constraints used in your model? Please identify the applicable constraints.

(b) If additional analysis was performed to determine the utilization of equipment, what methodology was used? Please provide and explain the results of any such analysis.

(c) Please refer to APWU-RT-3 at page 11. Explain the meaning of “steady state” in the model. In doing so, please indicate whether reaching "steady state" means that no Standard Mail is subject to deferred processing.

USPS/APWU-RT3-9.

(a) Please provide a copy of the contract and statement of work pursuant to which your testimony for APWU was developed for purposes of this docket.

(b) Please provide a copy of the contract and statement of work pursuant to which your network modeling analysis for the USPS Office of Inspector General was performed.

USPS/APWU-RT3-10.

(a) Is there any stochastic element in your model? If so, please describe it.

(b) If the response to part (a) is negative, how is steady state reached in your model? For instance, are processing rules adjusted to reach steady state?

(c) Are there processing bottlenecks in your steady state system? If so, where?

USPS/APWU-RT3-11.

(a) Page 11 of APWU/USPS-RT-3 states: "All metrics are collected starting on the fifth simulated-day, again with the same input average daily volumes." Please confirm that daily fluctuations of volumes were disregarded when running your processing scenarios. If you do not confirm, please explain.

(b) Does your model simulate the current capabilities of USPS mail processing facilities to catch-up on the processing of deferrable Standard Mail over a weekend?

(c) Would it be fair to characterize your model as a Friday model, as opposed to a Monday through Friday model? If not, please explain.

USPS/APWU-RT3-12. Page 14 of APWU-RT-3 states: "The newly-created origin-entered Mail Units are then simulated being transported by truck from the centroid of each origin ZIP3 to the outgoing facility assigned to serve that ZIP." What type of centroid was used to represent the ZIP3?

USPS/APWU-RT3-13. Page 18 of APWU-RT-3 states: "35% of ZIP5-sorted letters and 70% of ZIP5-sorted flats are given an INP sortation at the destination incoming facility after being received from an upstream facility AADC or ADC." What is the source of the percentage of letters that require rehandling?

USPS/APWU-RT3-14. Page 19 of APWU-RT-3 states: "10% of all letter Mail Units are assumed to skip the 2nd DPS pass (L-INS2) after completing the first pass (L-INS1). This reflects machine rejects and re-handling at L-INS1." What is the source of the percentage of letters bypassing 2nd pass DPS processing?

USPS/APWU-RT3-15. Please refer to APWU-RT-3 at page 15, table 4, under 8.2.1 Distribution Routing and explain the difference between L-F/ Inc and AADC/ADC.

USPS/APWU-RT3-16. Page 17 of APWU-RT-3 states: "The network simulation model prioritizes First Class Mail over Standard Mail when Mail Units of both classes compete for mail processing resources. Moreover, the network simulation model prioritizes mail on the basis of its due date." What prioritization logic is given to Standard letters or flats to ensure against inappropriately lengthy deferral of such mail?

USPS/APWU-RT3-17. In your model, did you allow for any stochastic variation in volume arrival profile? If so, please explain how. If not, please explain why not?

USPS/APWU-RT3-18. Page 13 of APWU-RT-3 states: "Mail Unit volumes are inducted into the network in one of two ways: as origin-entered mail through an origin ZIP3, or as presorted drop shipped mail at either a DSCF or DNDC." Was origin-entered Presort included in the modeling? If so, how was this mail modeled and what entry times were used?

USPS/APWU-RT3-19. Page 13 of APWU-RT-3 states that for your model: "The piece count associated with each facility-entered Mail Unit is set such that the Average Daily Volume is uniformly distributed over the 8am-4pm drop-ship time window."

(a) Is it your understanding that drop-ship mail is typically entered at postal facilities at a relatively uniform or even rate during an 8am-4pm drop-ship window? If so, please state the basis for this understanding and identify any postal operations data filed in this proceeding on which you rely.

(b) Would you agree that, all other things equal, a network model concept based on an atypical volume arrival profile is likely to be less viable than a concept based on a typical volume arrival profile? If you do not agree, please explain.

USPS/APWU-RT3-20. Page 13 of APWU-RT-3 states: "For each origin ZIP3, new origin-entered Mail Units are "created" at two discrete times, 4pm and 6pm local time, with the average daily volume split 30% for the 4pm induction and 70% for the 6pm induction." Please state whether your testimony assumes that 70 percent of single-piece First-Class Mail is cancelled by 6:00pm or 100 percent is cancelled by 6pm. In doing so, please specifically cite any USPS testimony or other documents on which you rely.

USPS/APWU-RT3-21. Can your model simulate the USPS N2012-1 proposal? If so, please provide the results of such simulation and describe how the results compare with other options you analyzed?

USPS/APWU-RT3-22.

(a) Was your model originally developed for an analysis utilizing long-term future (such as Fiscal Year 2020) mail volumes?

(b) If your response to part (a) is affirmative, has your model, as revised for purposes of this docket, been rerun with long-term future (such as FY2020) volumes? If so, please provide and describe the output of any such long-term analysis.

USPS/APWU-RT3-23. In APWU-RT-3, Figure 1, you use the terms “Intra-SCF Turnaround” and “Intra-SCF Non-Turnaround”. How do you define and differentiate these two terms?

USPS/APWU-RT3-24. What service standards were used for the Service Performance Analysis reflected in figure 1 on page 4, table 10 on page 37, and table 12 on page 38 of APWU-RT-3?

USPS/APWU-RT3-25. As indicated in APWU-RT-3 at page 28, a distance threshold of 1,000 miles is used to select between surface and air transport. What was the basis for selecting the 1,000 mile threshold? What effect, if any, does this assumption have on table 12 on page 38?